

# Business Administration

Course Number: **BUAD 461**

Course Title: **APPLIED CORPORATE FINANCE**

Credits: 3

Calendar Description: This course uses the case method to build on concepts learned in earlier finance courses by applying those concepts to specific finance problems in a real business setting. Through the discussion of key concepts such as cost of capital, capital

## Professors

Name	Phone	Office	Email
Derek Cook	250-762-5445 #4626	Kelowna: C135	<a href="mailto:dcook@okanagan.bc.ca">dcook@okanagan.bc.ca</a>

## Learning Outcomes:

Upon completion of this course, students will be able to:

1. Complete complex financial analyses, including calculation of appropriate ratios and preparation of common size statements, related to assigned case scenarios dealing with adequacy of working capital, sustainable growth, reasonability of sales forecasts and similar topics.
2. Calculate the cost of capital for both private and public corporations using data from cases and from publicly available financial reports in orderrom

## Required Texts/Resources

Buad461 Course Pack – Applied Corporate Finance  
Business Valuation Demystified – Edward Nelling – McGraw Hill

### RECOMMENDED SUPPLEMENTARY TEXT:

Foundations of Financial Management, any Canadian Edition, Block, Hirt & Short (Text from Buad195/296). (Past students have found it useful to keep their Block text from Buad195/296 to review concepts as necessary. However, it is not necessary to buy this text if you don't have a copy – the required texts will be sufficient)

### OTHER REQUIREMENTS:

A financial calculator will be required for every class – Texas Instruments BAII+ recommended  
Cases frequently require analysis using a spreadsheet program such as Excel and students will be expected to use laptops/tablets in class from time to time to work on Excel files.

**COURSE SCHEDULE:** *(subject to change at discretion of professor)*

Date	Topic / Required Reading
<b>Class of:</b>	Tues. Sept 6 College-wide Orientation Day Wed. Sept 7 Classes begin Mon. Oct 10 Thanksgiving Day – no classes Fri. Nov 11 Remembrance Day – no classes Tue. Dec 6 Last day of regularly scheduled classes
<b>Sept.9</b>	Introduction to the Course, Analysis of Finance Cases, Review of core concepts from Buad195/296 and introduction of new concepts.  Required Reading/Review for next week: Introductory PowerPoint slides and familiarization with other material on Moodle Course pack: <b>Delisle Industries</b> Nelling text: Chapters 1 to 4
<b>Sept.16</b>	<b>Case Discussion: Delisle Industries – financial statement analysis and financial health assessment</b> No team presentations but all students to be prepared for case discussion.  Concept coverage for next class: banking / credit risk assessment, forecasting  Required Reading/Review for next week: Course pack: <b>Everything Rattan</b> Nelling: Chapter 3 Moodle articles on credit assessment

**First team presentations and case discussion: Everything Rattan – credit and risk assessment**

Concept coverage for next class: cost of capital and capital budgeting

**Sept.23**

Required Reading/Review for next week:  
 Course pack: **Frozen Food Products: Cost of Capital**  
 Course pack: Best practical statement analysis0957s128.76 reW\* nB1C

<p><b>Oct.7</b></p>	<p><b><u>Third team presentations</u> and case discussion: Magic Timber &amp; Steel</b></p> <p>Concept coverage for next week: Capital structure decisions</p> <p>Required Reading/Review for next week:  Course pack: <b>B/E Aerospace, Inc.</b>  Course pack: Management of Financial Policy Decisions</p>
<p><b>Oct.14</b></p>	<p><b><u>Fourth team presentations</u> and case discussion: B/E Aerospace</b></p> <p>Review of concepts for the Midterm Exam</p>
<p><b>Oct.21</b></p>	<p><b>Midterm Exam</b></p>
<p><b>Oct.28</b></p>	<p>No Cases or Presentations Today  Review of Midterm</p> <p>Concept review for next class: Business Valuation</p> <p>Required Reading/Review for next week:  Course pack: <b>Saito Solar case</b>  Nelling: Chapters 5,6,7 &amp; 8  Course pack:  Valuing a Business or Earnings Stream  Note on Cash Flow Valuation Methods  Note on Private Company Valuation  Business Valuation: Standard Approaches</p>
<p><b>Nov.4</b></p>	<p><b><u>Fifth team presentations</u> and case discussion: Saito Solar</b></p> <p>Concept review for next class: Valuation, Private Equity &amp; Venture Capital</p> <p>Required Reading/Review for next class:  Course pack: <b>Arcadian Microarray Technologies</b>  Nelling: Chapters 5, 6 and 7  Course pack: review last week's reading on valuations plus  Methods of Valuation for Mergers &amp; Acquisitions, Corporate Valuations and Market Multiples  Moodle article on Private Equity and Venture Capital</p>
<p><b>Nov.11</b></p>	<p>Holiday – No Class</p>

**Nov.18**

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## **SKILLS ACROSS THE BUSINESS CURRICULUM**

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The Okanagan School of Business promotes core skills across the curriculum. These skills include reading, written and oral communications, computers, small business, and academic standards of ethics, honesty and integrity.

## **STUDENT CONDUCT AND ACADEMIC HONESTY**

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### **What is the Disruption of Instructional Activities?**

At Okanagan College (OC), disruption of instructional activities includes student “conduct which interferes with examinations, lectures, seminars, tutorials, group meetings, other related activities, and with students using the study facilities of OC”, as well as conduct that leads to property damage, assault, discrimination, harassment and fraud. Penalties for disruption of instructional activities include a range of sanctions from a warning and/or a failing grade on an assignment, examination or course to suspension from OC.

### **What is Cheating?**

“Cheating includes but is not limited to dishonest or attempted dishonest conduct during tests or examinations in which the use is made of books, notes, diagrams or other aids excluding those authorized by the examiner. It includes communicating with others for the purpose of obtaining information, copying from the work of others and purposely exposing or conveying information to other students who are taking the test or examination.”

Students must submit independently written work. Students may not write joint or collaborative assignments with other students unless the instructor approves it in advance as a group/team project. Students who share their work with other students are equally involved in cheating.

### **What is Plagiarism?**

Plagiarism is defined as “the presentation of another person’s work or ideas without proper or complete acknowledgement.” It is the serious academic offence of reproducing someone else’s work, including words, ideas and media, without permission for course credit towards a certificate, diploma, degree and/or professional designation. The defining characteristic is that the work is not yours.

“Intentional plagiarism is the deliberate presentation of another’s work or ideas as one’s own.” Intentional plagiarism can be a copy of material from a journal article, a book chapter, data from the Internet, another student, work submitted for credit in another course or from other sources.

“Unintentional plagiarism is the inadvertent presentation of another’s work or ideas without proper acknowledgement